

EXECUTIVE SUMMARY

This report summarizes the findings and recommendations of the Department of the Interior's Travel Reinvention Lab, which was chartered by the Department's Chief Financial Officer in February, 1996. The Travel Lab was asked to recommend a travel process that: reduces direct and indirect costs of travel; provides improved service to travelers; and maintains the financial integrity of the process.

The general approach taken by the Travel Lab was to assess all statutory and regulatory requirements impacting the Federal travel process; review the reinvention efforts of other Federal agencies; examine the “Best Practices” of leading private sector firms; and to listen to what 5,196 of the Department's employees, who responded to a detailed customer survey, had to say about the existing travel process. In analyzing the major components of the Department's travel process, the Travel Lab considered **why** specific steps were being performed, **whether** the steps added value, **which** steps could be simplified or eliminated, and whether **someone else** could better perform the steps.

Principal Findings

We found that (1) the Department's existing travel processes were inconsistent and lacked accountability; (2) travel agency services needed improvement; (3) existing automated travel systems were inadequate; and (4) the existing travel processes were costly to administer.

1. Travel Processes Lacked Consistency, Accountability and an Identifiable Owner. We found that substantial variations existed among bureaus in terms of the types of travel authorizations used; the number of approval levels required; payment mechanisms used for travel advances and reimbursements; and how and when travel funds were obligated and travel vouchers were audited. Also, we found that there were frequently a burdensome number of internal controls in place and excessive levels of review which actually served to diminish accountability; there was no accountable “owner” of the travel process; and no single organization was responsible for making the travel process work. As a result, travelers received widely varying levels of service and many problems with the current travel process were not being adequately addressed.

2. Travel Management Center (TMC) Services Required Improvement. The Department presently relies on about 140 travel management centers and some 700 centralized billing accounts to provide specialized travel services to travelers. The Travel Lab identified a number of “hidden costs” and deficiencies associated with the current system, which included (1) the administrative costs of maintaining about 700 memoranda of understanding; (2) the Department's present lack of ability to specify the types of service to be provided; (3) the present inability to improve poor service; (4) substantial differences in ADP capabilities among the travel management centers; and (5) failure to leverage the Department's \$150 million per year

purchasing power and to fully utilize the full range of high value-added services which could be provided by the best travel service providers.

3. Automated Travel Management Systems Were Highly Fragmented. We found that despite individual bureau/office efforts to enhance automated travel system capabilities, the travel management software currently in use lacks the flexibility to be easily modified to keep pace with changing processing requirements. Many steps in the existing travel process continue to be performed manually, thus increasing administrative costs.

4. Current Processes Are costly to Administer. The bureaus incurred substantial administrative costs to support these inefficient processes. We estimated that the Department's average administrative cost per temporary duty trip was approximately \$95 in fiscal year 1995 (which correlated closely with the Joint Financial Management Improvement Program government wide estimate of \$98).

Principal Recommendations

The identified systemic deficiencies have resulted in travel processes which are overly complex, highly controlled, costly to administer, and lacking in accountability. We made three principal recommendations that we believe will correct existing conditions: (1) change the culture; (2) change the process; (3) change the system. To assist in the implementation of these general recommendations, we made 30 specific recommendations, which are summarized in the Overview section of this report (Figure 5).

1. Change the culture. In order for travel to be viewed as a program and mission enabler, fundamental cultural change, on the part of employees and their supervisors will be necessary. To facilitate this change, supervisors will be designated as the accountable “owners” of the travel process, and will be empowered to authorize and approve travel. A new Travel Code of Ethics, articulating the respective roles and responsibilities of employees and supervisors in the travel process, should be put into place as soon as possible. By empowering supervisors to carry out the new travel policies, and by entrusting employees to carry out travel in the most efficient and effective manner, many costly and unnecessary administrative steps can be eliminated.

2. Change the Process. We recommend that most of the existing travel process “hand-offs” (the elimination of time lost in awaiting approval by others), which currently add as many as 25 days to the travel cycle time, be eliminated and that non value added steps be removed from the travel process.

- Hand-offs constituted a large target of opportunity for improving the existing travel process. The four major contributors of delay were identified as: approval of trip-by-trip travel authorizations; multiple levels of review/approval of travel vouchers by supervisors; audit and certification of travel vouchers; and, providing travel reimbursements to employees.

- Non-value added steps should be eliminated from the travel process. Many of the steps in the Department's current travel process were developed over time to satisfy various requirements of the Federal Travel Regulations. As a result of our review, the travel laboratory requested and received waivers from a number of regulations that were identified as no longer necessary to the efficient management of Department travel (see Figure 3 in the Overview section).

3. Change the System. We recommended that the Department form an Automated Travel System Improvement Team to identify, assess and recommend alternative system approaches for a single automated travel system, and that the Finance Officers Partnership take a lead role in a Department wide coordinated effort.

Implementation Efforts

To carry out the recommended actions expeditiously, we recommend that implementation responsibilities be assigned to the following four groups, which will report on progress and results to the Assistant Secretary- Policy, Management and Budget.

- **Travel Lab Team** - to develop the necessary policy guidance necessary to carry out the recommended travel policy and cultural changes, and to provide continuity and serve as a resource and focal point for subsequent implementation efforts.
- **Travel Management Center Team** - to develop the necessary contract requirements for future Department wide TMC contracts. This team is already in place and includes representatives from all bureaus.
- **Automated Travel System Improvement Team** - to identify, assess, and recommend alternative system approaches for a single automated travel system within the Department.
- **Bureau Efforts** - to coordinate implementation efforts in each bureau.

Estimated Savings

We have estimated that the recommendations contained in this report will reduce administrative costs by about \$20 to \$25 per trip. Based on the approximately 350,000 temporary duty trips performed during fiscal year 1995, implementation of the recommendations should produce savings of approximately \$7 million per year and result in improved service to travelers. In addition, we believe that the recommendations for a standardized travel process will provide a firm foundation for further automation efforts, and substantial additional opportunities for further reductions in administrative costs and service enhancements in the future.